SWBT's willingness to address interconnectors' concerns about dedicated ACDs while providing SWBT with the means to monitor IDE and comply with the <u>Virtual</u> Collocation Order, was clearly demonstrated with the introduction of the ACD Link. That tariff allows an interconnector that already has a virtual collocation arrangement with an ACD to use, where technically feasible and operationally practical, an ACD Link for additional virtual collocation arrangements in other central offices in lieu of being charged for a separate ACD. An ACD Link gives interconnectors an option that could be economically advantageous instead of being charged for another ACD. The ACD Link thus can give SWBT the abilities it needs at a lower cost to the interconnector. SWBT is thus not unreasonable; instead those that seek to require modification of SWBT's practices for IDE are revealed to be wholly unreasonable as they again seek to require the modification of SWBT's longstanding practices for its network by having IDE placed into a separate and distinct category of SWBT equipment for which SWBT should be required to adopt different monitoring standards and work rules. At a minimum, if SWBT is required to develop different standards, it must be able to recover the costs to do so.

XXVIII. CONCLUSION

For the foregoing reasons, SWBT respectfully requests that the Commission end the investigation in this docket, remove the RAF imposed upon SWBT's rates, and reestablish the rates originally filed by SWBT in its Transmittal Nos. 2382, 2383, 2387, 2388, 2396, 2397, 2406, and 2407.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

Robert M. Lynch Durward D. Dupre Darryl W. Howard

Attorneys for Southwestern Bell Telephone Company

One Bell Center, Suite 3524 St. Louis, Missouri 63101 (314) 235-2513

November 22, 1995

Docket No. 12879
AT&T Communications of the Southwest, Inc.
First Request
Information Request No. 1.2(b)
05/04/95

1.2(b).

With regard to your response to General Counsel's Request for Information 2-13, please answer the following:

(b) Please explain why SWBT should be allowed to use costs developed for the intrastate jurisdiction using vendor nonproprietary data instead of the negotiated price of the equipment (as used with the FCC filing) for the intrastate direct costs.

Answer: In an effort to continue to receive vendor prices for use in studies that could no longer be protected with certainty as proprietary information, SWBT was obligated to resort to use of nonproprietary prices. SWBT assumes that such prices will be charged to it when its intrastate tariff application is approved and equipment is provided to SWBT for purposes of implementing the tariff.

Docket No. 12879
AT&T Communications of the Southwest, Inc.
First Request
Information Request No. 1.2(b)
Page 2 of 2
05/04/95

Responsible Person: Mike Auinbauh

Area Manager-Cost Analysis

Southwestern Bell Telephone Company

One Bell Center, 37-H-07 St. Louis, Missouri 63101

DOCKET NO. 12879

APPLICATION OF SOUTHWESTERN	5	BEFORE THE
BELL TELEPHONE COMPANY FOR	\$	
EXPANDED INTERCONNECTION FOR	\$	
SPECIAL ACCESS SERVICES AND	5	
SWITCHED TRANSPORT SERVICES	S	PUBLIC UTILITY COMMISSION
AND UNBUMBLING OF SPECIAL	5	
ACCESS DS1 AND DS3 SERVICES	Š	
PURSUANT TO P.U.C. SUBST.	Š	
R. 23.26	\$	of texas

SUPPLEMENTAL DIRECT TESTINONY OF DON J. WOOD FOR INTERVENOR TIME WARNER COMMUNICATIONS OF AUSTIN, L.P.

Respectfully submitted,

BICKERSTAFF, HEATE & SMILEY, L.L.F. 98 San Jacinto Blvd., Suite 1800 Austin, Texas 78701-4039 (512) 472-8021 (512) 320-5638 FAX

ROBIN A. CASHY JESUS SIFUENTES

ATTORNEYS FOR TIME WARNER COMMUNICATIONS OF AUSTIN, L.P.

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26 27 equipment that served as the previous standard, clearly pass this test. Depending on the "varied volumes" purchased, the Company's use of other types of equipment may be sufficiently widespread to fall within the category of "normally used by SWBT." The reusability of equipment that is in general use by the Company makes SWBT's treatment of these costs as nonrecurring clearly inappropriate.

- Q. YOU STATED THAT SWBT'S USE OF VENDOR LIST PRICES TO DEVELOP COSTS RESULTS IN A MISIDENTIFICATION OF THE RELEVANT INVESTMENT FOR IDE. PLEASE EXPLAIN THE METHOD USED BY SWBT TO IDENTIFY THIS INVESTMENT.
- A. On documentation of the of its Virtual 1 Collocation/Expanded Interconnection Cost Study, SWBT states that it used non-proprietary, undiscounted prices for IDE: "SWBT met with equipment vendors and obtained nonproprietary equipment costs for the designated pieces of equipment. designated equipment was then designed to provide the required functions, and the resulting investments for those functions was identified." Mr. Auinbauh attempts to justify this approach in his testimony:

"Subsequent to SWBT's initial compliance filing with the FCC, equipment vendors began to notify SWBT of their concern about continuing to provide SWBT with virtual collocation equipment contract prices because of SWBT's inability to prevent disclosure of this competitively sensitive information. In order to continue to receive pricing information from equipment vendors so that SWBT could comply with the FCC's order, SWBT requested equipment vendors to provide prices which could be disclosed. The equipment prices used to develop the IDE costs in the application filed in this matter are the prices the vendors provided and that they consider nonproprietary."

In response to a data request from AT&T, SWBT goes on to state that "SWBT was obligated to resort to use of nonproprietary prices. SWBT assumes that such prices will be charged to it when its intrastate tariff application is approved and equipment is provided to SWBT for the purposes of implementing the tariff."

- Q. ARE THE VENDOR NONPROPRIETARY PRICES REFERRED TO BY SWET THE PRICES THAT IT PAYS TO VENDORS WHEN ACQUIRING THIS EQUIPMENT FOR ITS OWN USE IN PROVIDING OTHER SERVICES?
- A. No. SWBT has indicated that the investment that it must make in this equipment to offer DS1 special access services is not the nonproprietary, undiscounted price, and that its cost studies used to support its proposal in this proceeding are

Direct Testimony of Michael C. Auinbauh, pp. 8-9.

 $^{^{22}\}mbox{Response}$ of SWBT to AT&T's Information Request No. 1.2 (b), Respondent Mike Auinbauh.

based on the investment associated with the discounted price that it actually pays to these equipment vendors

- Q. ARE THE VENDOR NONPROPRIETARY PRICES REFERRED TO BY SWET THE PRICES THAT IT IS LIKELY TO PAY TO VENDORS WHEN ACQUIRING THIS EQUIPMENT FOR THE PURPOSE OF OFFERING EXPANDED INTERCONNECTION/COLLOCATION SERVICES?
- A. No. Contrary to SWBT's assumption that it will be required to pay the vendor's undiscounted price for IDE, at least one vendor has indicated that it will charge SWBT the existing contract negotiated prices. AT&T has made public²⁵ in this proceeding a letter from Mr. G. T Bay of AT&T Network Systems to Mr. Larry M. Exier of SWBT. In the letter, Mr. Bay states that AT&T took SWBT's request to be charged undiscounted, nonproprietary prices for equipment purchased as IDE under advisement, and decided to continue to charge the negotiated contract prices for this equipment. As a result, SWBT's calculated cost of IDE is based on an incorrect assumption regarding the required investment associated with this

[&]quot;See Response of SWBT to AT&T's Information Request No. 2.1(h), Respondent Mike Auinbauh. One result of SWBT's use of proprietary, discounted prices in the cost studies for its DS1 services is that the overhead factor, described in Mr. Doering's testimony and discussed below, is higher than it would be if the undiscounted, nonproprietary equipment prices had been used.

This letter is attached to AT&T Communications of the Southwest, Inc.'s Reply to Southwestern Bell Telephone Company's Response to AT&T's Motion to Compel and Request for Expedited Ruling, dated May 17, 1995.

DOCKET NO. 12879

SOUTHWESTERN BELL TELEPHONE COMPANY

REBUTTAL TESTIMONY OF

WILLIAM C. DEERE

1		DOCKET 12879
2 3		REBUTTAL TESTIMONY OF WILLIAM C. DEERE
4	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
5	A.	William C. Deere, One Bell Plaza, Room 2312, Dallas, Texas 75202.
6 7	Q.	BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?
8 9 10	A.	I am employed by Southwestern Bell Telephone Company ("SWBT" or "the Company"). My position is Regional Manager - Network Planning and Engineering.
11 12	Q.	ARE YOU THE SAME WILLIAM C. DEERE WHO FILED DIRECT TESTIMONY IN THIS DOCKET?
13	A.	Yes, I am.
14 15	Q.	WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?
16 17 18 19 20	A.	The purpose of this rebuttal testimony is to reply to portions of the direct testimony filed by Mr. Klaus on behalf of MCI Telecommunications Corporation, Inc., Mr. Adair on behalf of AT&T Communications of the Southwest, Inc., and Mr. Wood on behalf of Time Warner Communications of Austin, L.P.
21		I will also reply to the supplemental testimony of Mr. Wood.
22	Q.	HOW IS YOUR REBUTTAL TESTIMONY ORGANIZED?
23 24 25	A.	In the first portion of my rebuttal testimony, I will discuss the testimony of Mr. Klaus, Mr. Adair and Mr. Wood concerning the application of "resale" or "sale/lease-back" arrangements for the provision of expanded interconnection.

LEC. The solution offered through expanded interconnection/ collocation is to allow the carrier entering the market to construct as resources permit, and to utilize the facilities of other carriers, including the incumbent LEC where necessary.

The Texas legislature recently addressed the question of how to best bring competition to the local exchange telecommunications industry in Texas and decided that it would be in the public interest to require major competitors to build their own networks in Texas. During the public hearings on HB 2128, a witness for Time Warner stated that they could convert their cable television system to provide a full range of telecommunications services in order to meet the network requirements being discussed by the legislature. Since that time, they have announced plans to begin providing service or their facilities in Round Rock, Texas shortly after the first of 1996.

Expanded interconnection, therefore, may be only a short term requirement for companies such as Time Warner. However, SWBT will be required to purchase and install new equipment, train maintenance personnel, and develop procedures for providing service to a competitor/customer, who may no longer want to use that equipment as soon as they "construct as resources permit" their own network. Time Warner's witness before the Texas House stated that it would take about 18 months to convert their cable system in a city the size of Rochester, New York to provide a full range of telecommunications services.

Q. WOULD SWBT BE ABLE TO REUSE THE EQUIPMENT PURCHASED FOR EXPANDED INTERCONNECTION FOR OTHER PURPOSES?

A. As I stated in my direct testimony, probably not. Mr. Wood, in his supplemental testimony, indicates that since SWBT has at some time purchased "virtually all" of the types of equipment listed in the tariff, it must be reusable. This is not the case. While my response to Time Warner's request 1-18 did indicate that SWBT had purchased virtually all of the listed equipment, it also noted that much of that equipment had been purchased for interconnection or evaluation purposes only.

1 There would be little or no opportunities to reuse any of this equipment. 2 There are 24 different types of IDE listed in the tariff at the interconnector's 3 request. SWBT is currently purchasing only one of these (Fujitsu) for use in 4 its network. In addition, there are hundreds of configurations of the equipment 5 listed in the tariff that an interconnector can demand. There is no indication 6 that many of these are useful to SWBT. For instance, the Alcatel 3X50 and 7 LTS 1565 are not SONET based equipment. SWBT would have no use for 8 any additional equipment of this type.

Q. DOES THE FACT THAT SWBT HAS PURCHASED SIGNIFICANT NUMBERS OF THE AT&T AND FUJITSU EQUIPMENT INDICATE THAT IT COULD BE REUSED?

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- A. Since the Fujitsu equipment is currently standard, it is possible that some of it could be reused if it is properly configured. However, the cost of relocating and reinstalling would have an impact on the economic reuse of this equipment. There would be less opportunities to reuse the AT&T equipment since it is no longer standard for our use, and is currently in use in fewer locations. It would require considerable additional training of personnel if reused AT&T equipment were installed in new locations.
- Q. DOES THIS POSSIBLE REUSE OF SOME OF THE EQUIPMENT INDICATE THAT IT IS IMPROPER TO REQUIRE A NON-RECURRING CHARGE FOR THE INSTALLATION OF THE EQUIPMENT?
- A. No. SWBT is still required to purchase equipment that it has no need for at the time it is purchased, other than to provide expanded interconnection. The interconnector is the direct cause of SWBT's need to invest capital. There is no long term contract associated with this equipment, therefore it is not reasonable to require SWBT to assume the risk of not being able to recover this capital investment if the interconnector discontinues service.
 - All of the interconnectors filing testimony in this docket have indicated a willingness to purchase the IDE and sell it to SWBT for a minimal amount and then lease it back from SWBT. They would have to buy the equipment anyway, therefore it does not seem that it will cause them a hardship to pay a

- non-recurring charge that covers the cost of the equipment. Mr. Wood is simply arguing that Time Warner's entry into competition with SWBT would be much easier if SWBT must assume the risk of cost recovery for IDE through recurring rates. In other words, SWBT is being asked to finance the purchase of the IDE equipment without any collateral.
- Q. COULD THE RECOVERY OF THE CAPITAL COSTS OF THE FUJITSU EQUIPMENT BE TREATED DIFFERENTLY THAN THE OTHER EQUIPMENT LISTED IN THE TARIFF?
- A. I believe that this would defeat the purpose of listing multiple types of equipment in the tariff. The reason that the FCC required SWBT to list all of the different types of equipment in its tariff was to prevent the Company from dictating to interconnectors the type of equipment to be used. If a single type of equipment is declared reusable and priced without a non-recurring capital recovery rate element, it will drive all of the interconnectors to that particular type of equipment.
- Q. 16 IS THERE ANOTHER **PUBLIC** INTEREST REASON FOR 17 REOUIRING NON-RECURRING RATE **ELEMENT** THAT A RECOVER THE CAPITAL COST OF THE IDE EQUIPMENT? 18
- A. Yes. With a non-recurring rate element recovering the capital cost of the IDE equipment, it is not necessary for SWBT to use its limited capital budget to purchase this equipment. This means that more capital is available for the provisioning of services for the consumers of Texas. If SWBT is required to recover these cost over the life of the equipment (assuming it is truly able to do so) then acquisition of other equipment will have to be delayed or not purchased at all.
- 26 Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.
- A. The FCC has stated that a lease-back arrangement is probably illegal and SWBT believes that it is also unwise. Such lease-back arrangements do not decrease the administrative burden on SWBT, in fact they may increase the burdens. Therefore, the suggestion of the interconnectors that SWBT should offer this type of arrangement should not be accepted.

Southwestern Bell Telephone

The One to Call On"

November 13, 1995

Regional Sales

Hope Harbeck Account Manager -Regional Sales

MCI Metro Mr. John Currens, Project Manager-West 8521 Leesburg Pike, Room 0418/935 Vienna, VA 22182

Dear John:

The following is in response to your November 3, 1995 letter that questions the number of technicians SWBT must train per central office to maintain and repair the equipment you designated for your virtual collocation arrangements in the Houston Capitol and National central offices.

Because SWBT is obligated by FCC Order to maintain and repair interconnector-designated equipment("IDE") under the same intervals as SWBT does its other equipment, SWBT must provide 24-hour a day, 7-day a week, 365-day a year coverage for IDE. In generally ensuring that level of coverage for SWBT's network, central offices are organized into groups of two or more, with all the personnel from each of the offices in any group available to provide coverage to any of the offices. SWBT managers then ensure that within that "coverage group" a sufficient number of personnel are trained on any equipment that SWBT has installed in any of the offices in that particular group. Thus, even if non-IDE SWBT standard equipment only is located in one central office within a group, SWBT ensures that sufficient personnel from the other central offices within that group are also trained on that non-IDE SWBT equipment in order to provide effective 24-hour a day, 7-day a week, 365-day a year coverage. The number of personnel that must be trained on that non-IDE equipment is a matter for the SWBT network manager with responsibility for that coverage group. That manager takes into account the number and availability of personnel, the size of the central offices and bargaining unit rules. This was standard operating practice for these two offices prior to being required to provide virtual collocation and, consistent with FCC orders, has been adopted and is being used for collocation.

One Bell Plaza Room 0551.06 208 S. Akard Dallas, Texas 75202 Your suggestion that only three trained technicians be required for any office on any piece of IDE is thus simply not possible. Even assuming an "industry standard" could relieve SWBT of its FCC-imposed obligations, SWBT is not aware of any "industry standards" in this area, especially ones that clearly ignore the practicalities of SWBT meeting the FCC's requirement of "around the clock" coverage.

Based on the above, SWBT continues to support the training requirements as specified in its quotations. I can be reached on 214-464-8330 if you wish to discuss this issue further.

Sincerely,

Hope E. Herbeck

November 3, 1995

Ms. Hope Harbeck Southwestern Bell Telephone One Bell Plaza, Room 0551.06 208 South Akard Street Dallas, TX 75202

Dear Hope:

To prevent installation delays, we have submitted the required 50% down payment for each of the collocation projects in Houston, TX. As you are aware, we have serious concerns regarding the training requirements.

You've stated in your quotations that twelve technicians will require training for the collocation at the Houston Capitol Central Office (CO) and six will require training for the Houston National CO. We disagree with both of these numbers and feel that three trained per CO is not only reasonable but much more in line with industry standards.

Please respond in writing to this concern by November 13, 1995. I can be reached on 703-918-6133 with any questions.

Sincerely,

John A Currens Project Manager

MCImetro

CC: Maria Marzullo MCImetro

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)			
Southwestern Bell Tariff F.C.C. No.	_))	Transmittal	No.	2499

RESPONSE OF SOUTHWESTERN BELL TELEPHONE TO MFS' PETITION TO REJECT, OR SUSPEND AND INVESTIGATE

Southwestern Bell Telephone Company ("SWBT" or "Southwestern Bell"), through its attorneys, files this response to Petition to Reject, or in the Alternative, to Suspend and Investigate ("Petition") filed by MFS Communications Company, Inc. ("MFS"). The Petition is a string of complaints about Southwestern Bell's Alarm Collection Device ("ACD") tariff, all of which are untimely and ultimately irrelevant to the ACD Link tariff filing. The Petition should thus be denied, and SWBT's proposed ACD Link tariffs to take effect as they have been filed, without any suspension, an accounting order, or investigation.

MFS' ATTACK ON THE ACD RATE ELEMENT IS PROCEDURALLY DEFECTIVE AND IRRELEVANT TO THE TRANSMITTAL AT ISSUE

MFS' Petition is really a much belated attempt to oppose Southwestern Bell's ACD tariff. Had MFS wished to oppose that tariff filing, MFS should have filed any petition no later than March 30, 1995. Having failed to do so, MFS somehow believes that the ACD Link tariff allows it to reach back and argue against that earlier tariff filing even though MFS acknowledges

¹ <u>See</u> Southwestern Bell Transmittal No. 2440, filed March 15, 1995.

that the ACD element is "currently effective." Obviously such a belief is mistaken, and MFS' Petition is a procedurally defective "back door" attempt.

MFS apparently also believes it can overcome that procedural defect that by raising the level of its rhetoric aimed at the ACD. Ad hominem attacks of SWBT's asserted motives and alleged objectives are merely attempts to so prejudice the Commission that MFS' own procedural deficiencies are forgotten or forgiven. Particularly absurd is MFS' projection upon SWBT of a "transparent strategy for hiding its proposed ACD elements from public scrutiny and the rigors of the Commission's pending investigation."4 SWBT is at a loss to respond how tariffs filed with the Commission along with the required supporting documentation on the record are somehow hidden from scrutiny. This tact is all the more distressing in that the ACD Link rate element is being introduced to give interconnectors the opportunity to chose a more economical means of expanding into other SWBT central offices. At bottom, the Commission should not be misdirected -- Tariff Transmittal No. 2499 is about the ACD

² Petition at p. 2.

³ However, the Petition once again highlights MFS' desire for continued special treatment. On the same day that MFS filed the Petition, it also strenuously objects to Bell Atlantic's Motion to Vacate Prescription on procedural grounds. See MFS Communications Company, Inc. Opposition to Bell Atlantic Motion to Vacate Prescription, CC Docket No. 94-97, Phase I, filed September 28, 1995. The Commission should reject MFS' attempt to have it both ways.

⁴ Petition at p. 4.

Link, not the ACD.

Nevertheless, without going into too much irrelevant detail, the various unsupported assertions made about the ACD rate element by MFS are substantively wrong as well. ACDs are used by SWBT to monitor and maintain interconnector-designated equipment ("IDE"). Without the ACD, SWBT could not meet its Commissionmandated obligation to monitor and respond to IDE alarms in the same manner as SWBT does for its other equipment. SWBT explored other possible means of fulfilling its obligations under Commission orders but determined that only an ACD provides the necessary monitoring and alarm functionality and network security needs. 6 Having an ACD per interconnector per central office provides Southwestern Bell and all interconnectors "firewall" network protection against improper intrusion by others. With regard to MFS' suggestion that interconnectors share ACDs, such a practice would not prevent an interconnector from monitoring equipment other than its own. Further, ACDs were not tariffed

⁵ Expanded Interconnection with Local Telephone Company Facilities, CC Docket No. 91-141, Memorandum Opinion and Order, released July 25, 1995, at para. 57.

⁶ SWBT did investigate the possibility of using the dual gateway functionality available on some IDE, but found that alternative lacking in that the functionality does not multiplex alarms/events from different IDE networks or dissimilar elements into a single output, does not offer hubbing functionality or office interface or protoccl conversion capability, and does not provide the concentration and security functions offered by an ACD. Based upon those deficiencies, SWBT determined that it should use an ACD in the same manner that it does with its non-IDE equipment. With ACDs, SWBT's Network Monitoring and Analysis ("NMA") system can be consistently used to monitor and diagnose IDE and SWBT network equipment equally.

for physical collocation because the provisioning local exchange carrier had no monitoring/alarm responsibilities and, so far as SWBT is aware, it appears that the other LECs providing virtual collocation may have acceded to interconnector demands that monitoring and alarm investigation be done only upon interconnector-generated complaint. As stated earlier, the ACD is needed for SWBT to meet the monitoring and servicing obligations imposed by the Commission.

MFS' attempts to create an argument by claiming that "no provision expressly states that interconnectors must purchase either ACD or ACD Link." The stretch by MFS is apparent. As a reading will confirm, the ACD Link rate element is optional by the very language of Tariff Transmittal No. 2499. Just as clearly, the tariff language regarding the ACD is stated in mandatory terms. When combined with the introduction of the ACD rate element, alleged confusion about the applicability of the

⁷ Petition at p. 3.

⁸ See Tariff Transmittal No. 2499 at 25.2.6:

Subject to technical feasibility and operational practicality, the Telephone Company will provide an IDE hubbing arrangement upon the request of the interconnector.

⁽emphasis added). Obviously, if the interconnector does not request the ACD Link, one is not used.

See Tariff F.C.C. No. 73 at 25.2.6:

Alarm monitoring and control functions <u>are</u> performed by an alarm collection device (ACD) located at the Telephone Company wire center.

⁽emphasis added).

ACD rate element cannot be seriously entertained.

Finally, ACDs should have been included as a separate rate element in SWBT's initial filing. As virtual collocation arrangements were being established, the need for dedicated ACDs was recognized and have been consistently provided even where their costs could not be fully recovered due to the lack of a separate element. SWBT is not seeking to "pad" its expanded interconnection rates as MFS alleges, but only wishes to recover the costs of complying with its virtual collocation obligations from the cost causers.

In any event, the ACD rate elements were placed under investigation and an accounting order by the Bureau with the rest of SWBT's virtual collocation tariffs. 10

SWBT'S ACD LINK TARIFF IS JUST AND REASONABLE

The Tariff Transmittal at issue here involves only the introduction of the ACD Link. The tariff would allow an interconnector that already has a virtual collocation arrangement with an ACD to use, where technically feasible and operationally practical, an ACD Link for additional virtual collocation arrangements in other central offices in lieu of being charged for a separate ACD. An ACD Link is not required. It merely gives interconnectors an option that could be economically advantageous MFS' request that Transmittal No. 2499 be rejected

 $^{^{10}}$ <u>See</u> Southwestern Bell Telephone Company Revisions to Tariff F.C.C. No. 73, CC Docket No. 94-97, Transmittal No. 2440, released April 27, 1995.

is thus perverse. If rejected, interconnectors that would otherwise use an ACD Link will be left with being charged for another dedicated ACD. SWBT submits that while MFS has apparently decided never to use the ACD Link option, other interconnectors should not be limited to MFS' plans and should be given the opportunity to choose that option.

With regard to the ACD Link rates, MFS only complains that the cost of providing an ACD Link might be included in other virtual collocation rates. As MFS has itself asserted, the ACD Link is an arrangement not contemplated in any of SWBT's virtual collocation tariffs. As Southwestern Bell has demonstrated in its cost information and as the Commission can determine, the costs associated with ACD Links are concomitantly not included within any other rate element.

CONCLUSION

Having responded fully to MFS' Petition, Southwestern Bell respectfully urges the Commission to deny the Petition in total and permit the optional ACD Link to become effective without suspension, an investigation, or accounting order.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By:

Robert M. Lynch V Durward D. Dupre Darryl W. Howard

Attorneys for Southwestern Bell Telephone Company

One Bell Center, Suite 3520 St. Louis, Missouri 63101 (314) 235-2513

October 10, 1995

\acd-mfs.res

CERTIFICATE OF SERVICE

I, Kelly Brickey, hereby certify that the foregoing "Rebuttal to Oppositions Filed in Response to the Direct Case of SWBT", in CC 94-97, has been served November 22, 1995 to the Parties of Record.

Kelly/Brickey

November 22, 1995

ANDREW D LIPMAN
JONATHAN E CANIS
ATTORNEYS FOR MFS COMMUNICATIONS
COMPANY INC
SWIDLER & BERLIN CHARTERED
3000 K STREET NW SUITE 300
WASHINGTON DC 20007-5116

JONATHAN E CANIS
DANA FRIX
ONS
ATTORNEYS FOR
JONES LIGHTWAVE LTD
SWIDLER & BERLIN CHARTERED
3000 K STREET NW SUITE 300
WASHINGTON DC 20007-5116

BRIAN CONBOY - JOHN L MCGREW MELISSA E NEWMAN
WILKIE FARR & GALLAGHER
ATTORNEYS FOR TIME WARNER
COMMUNICATIONS HOLDINGS INC
THREE LAFAYETTE CENTRE
1155 21ST STREET NW SUITE 600
WASHINGTON DC 20036

DON SUSSMAN
REGULATORY ANALYST
MCI TELECOMMUNICATIONS CORPORATION
1801 PENNSYLVANIA AVENUE NW
WASHINGTON DC 20006

J MANNING LEE
VICE PRESIDENT - REGULATORY AFFAIRS
TELEPORT COMMUNICATIONS GROUP INC
2 TELEPORT DRIVE
SUITE 300
STATEN ISLAND NY 10311

RUSSELL M BLAU
JONATHAN E CANIS
ATTORNEYS FOR CABLEVISION
LIGHTPATH INC
SWIDLER & BERLIN CHARTERED
3000 K STREET NW
SUITE 300
WASHINGTON DC 20007-5116

RICHARD J METZGER
COUNSEL FOR ASSOCIATION FOR LOCAL
TELECOMMUNICATIONS SERVICES
PIERSON & TUTTLE
1200 19TH STREET NW
SUITE 607
WASHINGTON DC 20036

RUSSELL M BLAU
JONATHAN E CANIS
ATTORNEYS - MCLEOD TELEMANAGEMENT INC
SWIDLER & BERLIN CHARTERED
3000 K STREET NW
SUITE 300
WASHINGTON DC 20007-5116

REGINA M KEENEY
CHIEF COMMON CARRIER BUREAU
FEDERAL COMMUNICATIONS COMMISSION
ROOM 500
1919 M STREET NW
WASHINGTON DC 20554

ITS INC 1919 M STREET NW R 246 WASHINGTON DC 20554